GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:492
ANSWERED ON:24.11.2011
EXPENDITURE BY OIL PSUS
Biju Shri P. K.;Singh Shri Ravneet

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether attention of the Government has been drawn to the alleged wasteful expenditure incurred by the Public Sector Oil Companies;

(b) if so, the details thereof, company-wise for the last three years and the action taken by the Government in this regard;

(c) the amount spent on the administrative work at the headquarters of Indian Oil Corporation, Gas Authority of India Ltd. And Oil and Natural Gas Corporation during the last three years; and

(d) the steps taken/being taken to prevent this wasteful expenditure?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI S. JAIPAL REDDY)

(a) & (b): The Public Sector Oil Companies (PSUs) have informed that they are not incurring any wasteful expenditure. They follow the guidelines on "Expenditure Management- Economy Measures and Rationalization of Expenditure" issued by Ministry of Finance vide their OM No. 7(1)/E.Coord/2011 dated 11th July, 2011 and forwarded to them by Department of Public Enterprises (DPE) vide OM No. DPE/3(4)/08-Fin dated 12th August, 2011.

(c):The amount spent on administrative works by Indian Oil Corporation Limited, Gas Authority of India Limited and Oil & Natural Gas Corporation Limited at their headquarters, during the

(Rs.in Crore)

Name of PSU	2008-09	2009-10	2010-11
Indian Oil Corp -oration Limited	148.55	157.17	166.75
Gas Authority of India Limited	182	211	288
Oil & Natural Gas Corporation Limited	568.09	765.28	623.69

(d):Public Sector oil companies constantly take measures to optimize expenditure. Some of the measures taken by the Oil PSUs are as under:

(i) Expenditure budgets are prepared at the beginning of the financial year and actual expenditure on various activities is monitored on periodic basis against the targets and appropriate actions are taken to control the same.

(ii) Teams comprising of senior officers identify the areas for possible cost optimization and efforts are made to achieve the same.

(iii) System of e-collection has been implemented which facilitates faster realization of funds from customers resulting in savings on

interest cost.

(iv) Video Conferencing is being encouraged to minimize the expenses on tour & travel.

Besides, guidelines issued by the Government from time to time regarding economy measures and rationalization of expenditure are adhered to by the oil PSUs.